



Office of Enterprise Compliance

P.O. Box 942701

Sacramento, CA 94229-2701

Telecommunications Device for the Deaf - (916) 795-3240

(916) 795-0580, FAX (916) 795-0660

December 14, 2010

AGENDA ITEM 4b

TO: MEMBERS OF THE FINANCE COMMITTEE

- I. SUBJECT:** CalPERS Ethics Helpline Report
- II. PROGRAM:** Office of Enterprise Compliance
- III. RECOMMENDATION:** Information Only
- IV. ANALYSIS:**

The CalPERS Ethics Helpline is available to all persons for reporting inappropriate or incompatible activities and conflicts of interest pertaining to CalPERS business. The CalPERS Ethics Helpline enables CalPERS to foster a business culture of integrity and compliance by facilitating the reporting and identification of issues and events. It reinforces CalPERS commitment to ethics, transparency, and accountability.

The CalPERS Ethics Helpline received nine reports for the period of October 15, 2010 to November 15, 2010. ECOM reviewed each report for the issues identified and directed reports to the appropriate channels for resolution. ECOM distributes the reports weekly to the Assistant Executive Officers and Division Chiefs of the impacted divisions. The status of each report is tracked with updates on resolution from the identified primary business line every two weeks. In some cases, the Legal Office and Office of Audit Services are provided secondary review of reports.

Reports dispatched from EthicsPoint are considered open until they have been reviewed by ECOM. After reports have been distributed to the appropriate divisions, they are considered pending until they are closed with a resolution.

CalPERS Ethics Helpline, Report Status Summary (Attachment A), contains a summary of the 21 reports received to date. EthicsPoint Helpline reporters are using both the EthicsPoint Web site as well as its EthicsPoint call center. Members of the public filed 81 percent of the reports while CalPERS employees reported the remaining 19 percent. CalPERS reporting continues to be consistent with other help lines EthicsPoint administers, where anonymous reporters filed 67 percent of the reports. Previously reported items are marked in gray. To allow easy identification of reports received during the reporting period from October 15, 2010, to November 15, 2010, these items are shown in white. Additionally, the column labeled “employee” on the previous month’s report has been removed, to protect the confidentiality of potential whistleblower complainants.

In the cumulative reporting period from September 13, 2010 to November 15, 2010, the average time a report was open is 26 days. Eight of 21 reports closed within 29 days of opening. The remaining 13 reports are of pending status awaiting resolution.

CalPERS Ethics Helpline, Report Data Graphs (Attachment B), are depictions of issue types reported, status of reports, management implication, source of the reports, report intake method, and anonymity of the reporter. The “other” category on the pie chart labeled “Report Intake Method” includes reports received via mail, e-mail, or callers who contacted CalPERS directly rather than using the helpline.

CalPERS Ethics Helpline, Report Resolution Chart (Attachment C), indicates the actions taken in the closed reports. It is the goal of CalPERS to resolve issues as soon as possible. However, some reports may not be at the priority level. Certain timelines for the required processes, including the audit cycle and process and personnel actions, may extend the timeframe for resolution of the reports.

Transmittal and Escalation Protocol for Ethics Helpline Issues and Allegations (Attachment D), describes the procedures used to process, track, address, and escalate reports, as well as the protocols the Chief Compliance Officer follows in reporting on issues and allegations involving a Board member/representative or Board reportable staff.

V. STRATEGIC PLAN:

This item is not a specific product of the Strategic Plan but is part of the regular and ongoing workload planned for the Office of Enterprise Compliance.

VI. RESULTS/COSTS:

N/A

SHERRY A. JOHNSTONE
Chief Compliance Officer

LARRY JENSEN
Interim Chief Risk Officer
Office of Enterprise Risk Management

Attachments